



DAMIR / SOA Conference Keynote

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View from the Congress. . .

► ***Congress's Perception:***

- **Nunn McCurdy law in place since 1982, but:**
 - Not that many consequences over time
 - Cost growth continued
 - Perception of “Rubber Baselines” & lack of discipline

► ***Reaction: Mandatory Discipline***

- **FY06 NDAA**
 - Tightened Nunn McCurdy rules and measurements
 - Section 2366, Title 10, required certification of MDAPS at MS B
- **FY07 NDAA**
 - Added three more criteria for MS B certification
- **FY08 NDAA**
 - Required certification at MS A (costs understood, non-duplicative, valid requirement)
- **FY09 NDAA**
 - Updated section 2366 for technical corrections

And that's not all. . .



Even More Teeth . . .

Weapon Systems Acquisition Reform Act of 2009

▶ ***Amends MS A (section 2366a) Certification Process***

- Invokes Nunn-McCurdy “like” process for pre-MS B pre-MDAPs
- Retroactively applies certification criteria to post-MS A programs that began prior to enactment of the 2366a certification requirements, but have not yet received MS B approval.

▶ ***Amends MS B (section 2366b) Certification Process***

- Retroactively applies certification criteria to post-MS B programs that began prior to enactment of the 2366b certification requirements, but have not yet received MS C approval.

▶ ***Creates SEC-DEF designated official for Program Assessment and Root Cause Analysis***

▶ ***Strengthens Nunn McCurdy Process***

- ***But that’s another topic all on its own. . .***



WSARA Implementation Status

- ▶ **WSARA Statutory Direction Effective on date signed (May 22, 2009)**
 - Implementation on programs real-time as they come up for review
 - Retroactive certification process underway
- ▶ **Draft “Directive-Type” Memo for Implementation of Acquisition Policy & Process Changes**
 - Draft has been prepared and released for informal key stakeholder and DAPWG review
 - Formal review and approval process to follow
- ▶ **Organizational/Personnel Changes in work**
 - New D,T&E & D,SE positions aligned with D,DR&E
 - Performance Assessment & Root Cause Analysis function currently “under construction”
 - D, CPAE initial implementation approved—support structure in work (DEPSECDEF performing duties of D, CAPE until political appointee nominated and confirmed.)



What Keeps Nancy Awake at Night. . .

▶ ***The Acquisition Rules are becoming so constraining that our real work to bureaucratic work ratio is out of whack***

- Example, the E-2D saga—ended up with a decision package with M tabs (13), including 3 USD(AT&L) signature documents, and the usual 8 letters to the Hill

▶ ***Some “catch-up” certification aspects of the WSARA of 2009, will keep us employed for years***

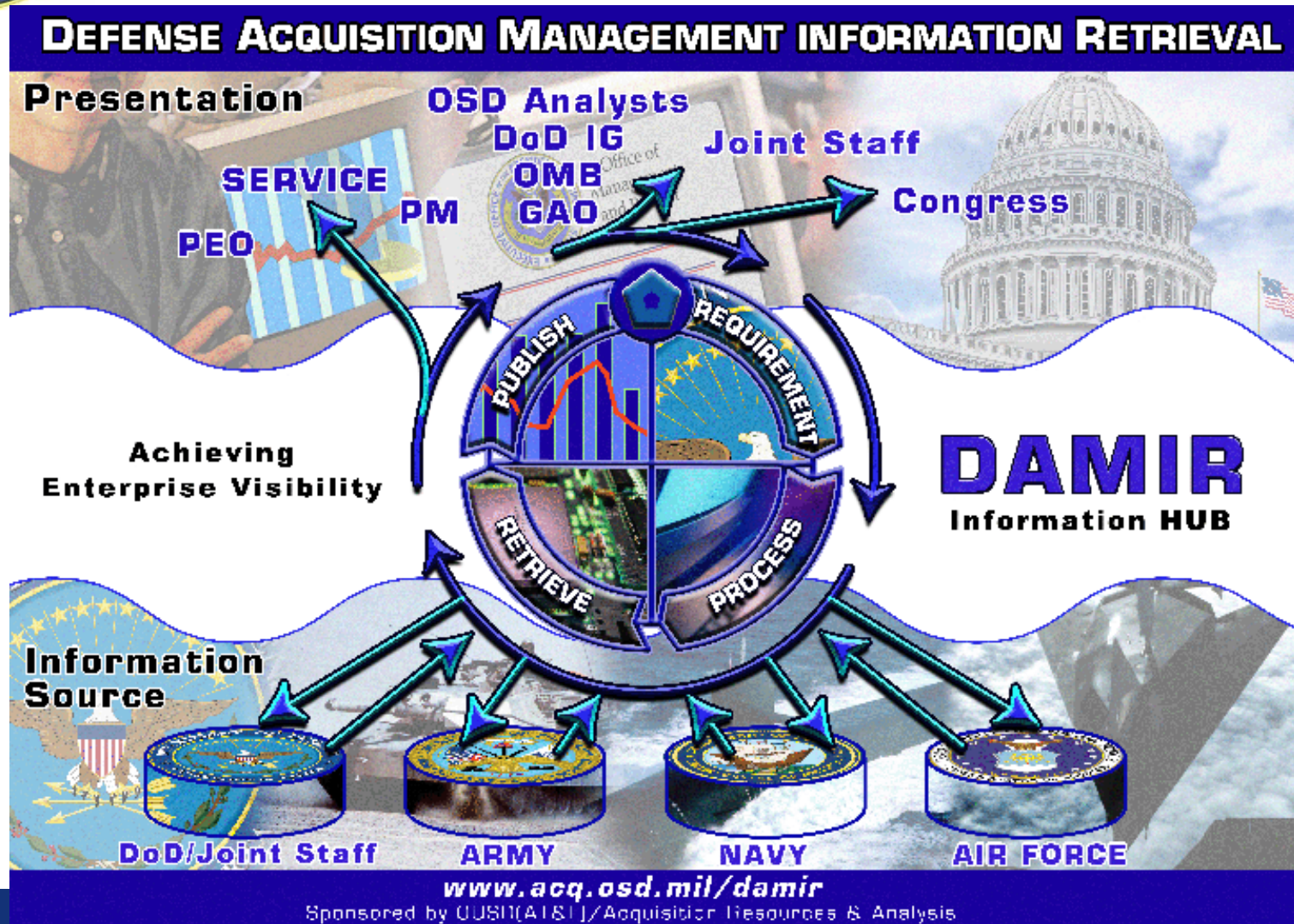
- There are over 100 programs that require “catch up” certifications by May 31, 2010
 - ~40 are post-MS A and post-MS B programs and
 - ~60 are post-MS C programs

▶ ***Data/Time Lag/Beyond MDAPs***

- We don’t have good, timely data on Major Defense Acquisition Programs (MDAPs)
- MDAPs take a long time from start to finish. How will we show success—that acquisition reform is working—in 2 years?
 - How do we get out ahead of GAO?
 - What metrics should we propose?
 - Should the Department put out a cost growth report?
- We now spend more on contracts for services than for MDAPs. That is an area needing different rules and more oversight.
- The same is true of IT programs, especially business IT programs.



DAMIR Overview





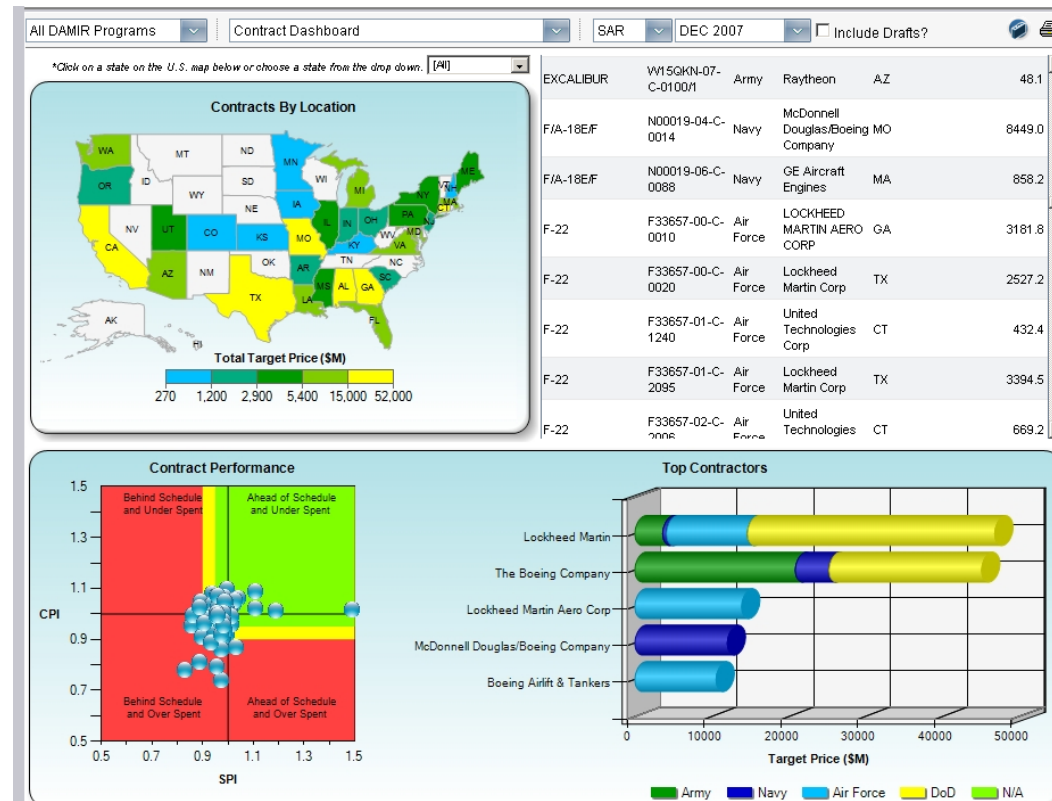
DAMIR Data Most Often Used for Analysis

► Category

- Cost and Funding
- Schedule
- Contracts and EV
- Assessments

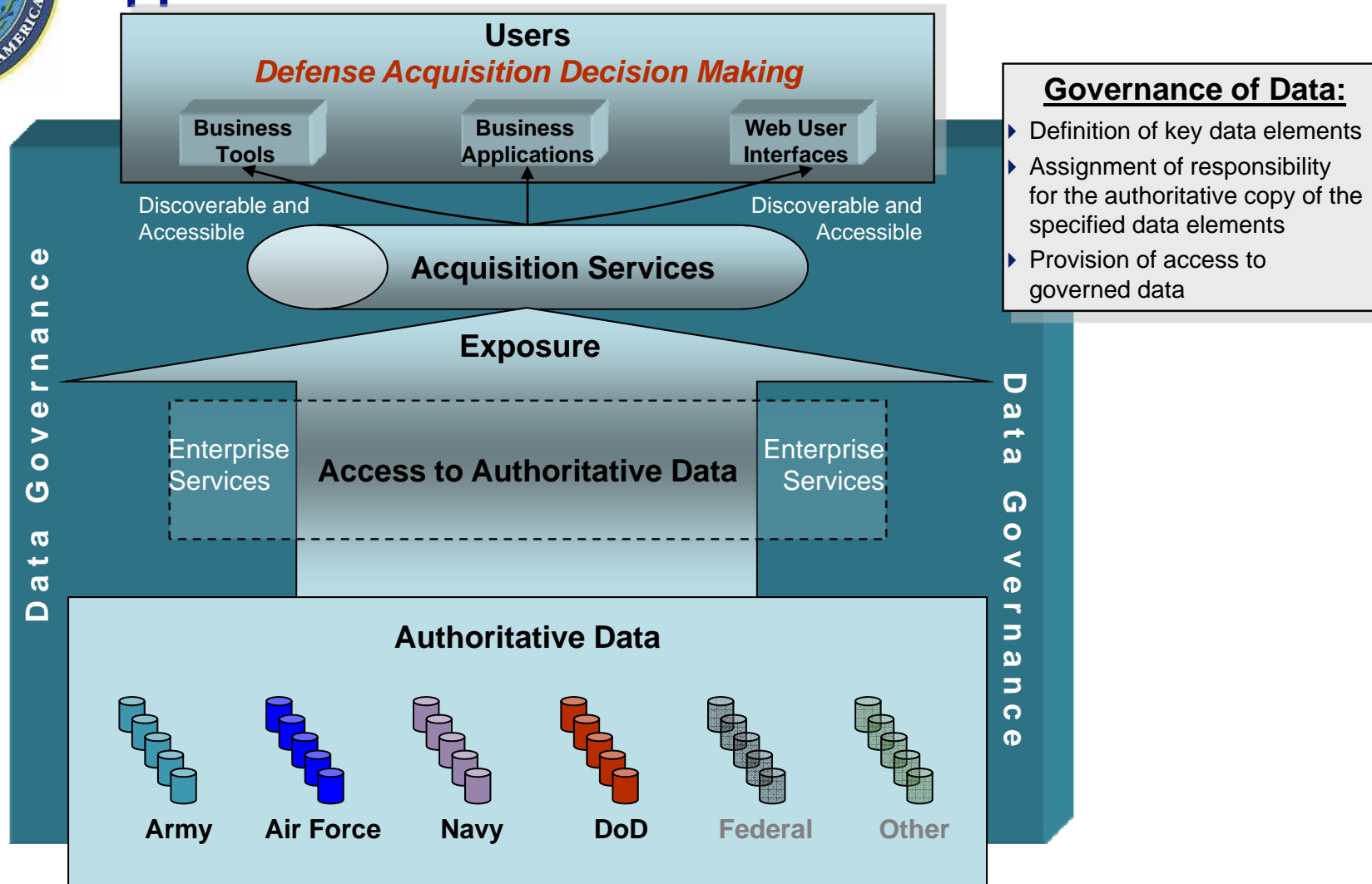
► Sources

- APB
- SAR
- SAR Baseline
- DAES/Web Services
- PB/POM/BES





AV SOA Framework: Governance and Technical Approach



SOA Separates Data from Application and Tools



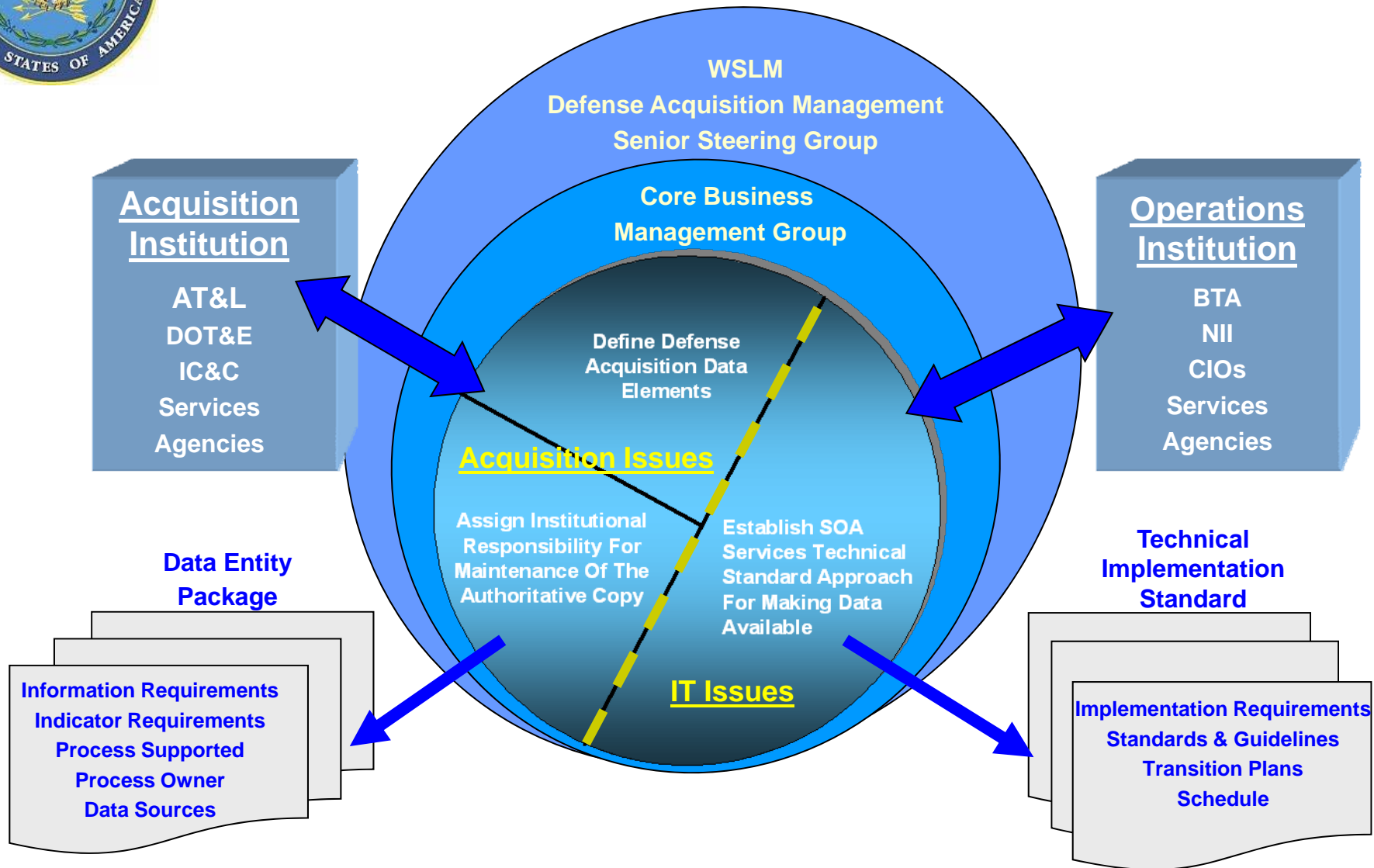
Where do the contracts come from?

Governance

- ▶ Vision is inoperable without governance — which is almost necessary *and* sufficient
 - **Authority** to govern is mandatory for compliance
- ▶ What — precisely — must be governed?
 - Data Definitions
 - Assignment of responsibility to maintain the sole authoritative copy of data within the system for a given program
 - Data “visibility” rules: those standards that must be complied with (e.g., XML schemas, etc.) to make data accessible in system
- ▶ Of the three elements, the first two are ***inherently and permanently “Functional Management’s” responsibility***
 - Functional management can *not* expect to outsource to IT these duties
 - It takes resources to do this, not a lot, but some



AT&L AV SOA Governance





It is your DAMIR / SOA Conference

- ▶ Think about how the new Acquisition environment will affect you
 - Listen to the senior leaders here and consider how your job is changing
 - And . . . Your job *will* change
- ▶ DAMIR will remain the “System of Record” for MDAPs
 - Mastering DAMIR use and interpretation will remain a valuable skill
 - SOA, itself, will never replace DAMIR, but merely become a source of a portion of DAMIR inputs
 - DAMIR’s role as the authoritative source for milestone decisions, APBs, etc. remains for the foreseeable future
- ▶ SOA is the future . . . But it is primarily an approach to the data
 - It represents a fundamentally new approach to the partition of labor for the care and feeding of management systems
 - By emphasizing governance, data coherence and accuracy are assured



QUESTIONS?



BACK-UP



DAMIR and the Dec 2008 Limited SARs

- ▶ Modified title and disclaimers on every page
- ▶ Only FY09 and FY10 funding updated
 - FY09 and FY10 updated based on POM11
 - Prior SAR used for all other years
 - Blue numbers indicate values including future years
- ▶ Most other sections updated based on latest DAES or left as is from prior SAR
- ▶ No change/variance explanations
 - Schedule
 - Performance
 - Cost Variance
 - Contracts



MS A Certification Requirements

The Milestone Decision Authority must Certify that:

1. The program has an approved Requirements Document (i.e., an Initial Capabilities Document)
2. The program is being executed by an entity with a relevant core competency
3. If the program duplicates a capability already provided, the duplication is necessary and appropriate
4. ***An analysis of alternatives has been performed consistent with study guidance developed by the Director, Cost Assessment and Program Evaluation***
5. A **Cost Estimate** has been submitted ***with the concurrence of the Director, Cost Assessment and Program Evaluation*** and is consistent with the priority of the program assigned by the JROC



MDA 2366b Certification Prior to Milestone B Approval (1 of 2)

The Milestone Decision Authority must:

(1) Certify receipt of a business case for the program and certify on the basis of the analysis that:

(A) the program is affordable when considering the ability of the Department of Defense to accomplish the program's mission using alternative systems;

(B) **appropriate trade-offs among cost, schedule, and performance objectives have been made to ensure that** the program is affordable when considering the per unit cost and the total acquisition cost in the context of the total resources available during the period covered by the FYDP submitted during the fiscal year in which the certification is made;

(C) reasonable cost and schedule estimates have been developed to execute, **with the concurrence of the Director of Cost Assessment and Program Evaluation**, the product development and production plan under the program; and

(D) funding is available to execute the product development and production plan under the program, through the period covered by the FYDP submitted during the fiscal year in which the certification is made, consistent with the estimates described in subparagraph (C) for the program.



MDA 2366b Certification Prior to Milestone B Approval (2 of 2)

The MDA must also:

(2) Certify the receipt of the results of the preliminary design review and the conduct of a formal post-PDR review assessment and certify on the basis of such assessment that the program demonstrates a high likelihood of accomplishing its intended mission; and

(3) Further certify that:

(A) appropriate market research has been conducted prior to technology development to reduce duplication of existing technology and products;

(B) the Department of Defense has completed an analysis of alternatives with respect to the program;

(C) the Joint Requirements Oversight Council has accomplished its duties with respect to the program pursuant to section 181(b) of Title 10, including an analysis of the operational requirements for the program;

(D) the technology in the program has been demonstrated in a relevant environment **based upon an independent review and assessment by the DDR&E**; and

(E) the program complies with all relevant policies, regulations, and directives of the Department of Defense.